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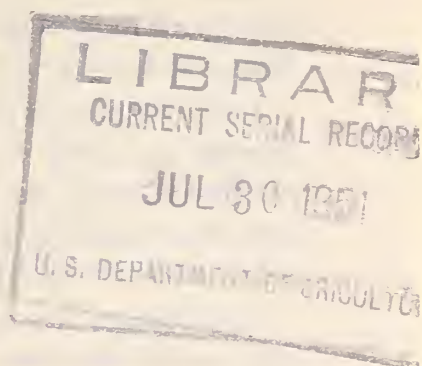
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Farm

Housing

Loans



U. S. Department of Agriculture

Farmers Home Administration

PA-81

Farm Housing Loans

The Housing Act of 1949 authorizes the Farmers Home Administration to make loans and grants for construction and repair of farm houses and other farm buildings.

Loans for periods up to 33 years at 4 percent interest are made to farm owners who are otherwise unable to finance needed housing and other building improvements for themselves and their tenants.

In addition, the construction done under the act will stimulate trade in rural areas and strengthen the Nation by helping it move a step nearer the goal of "a decent home for every American family."

Following are answers to questions most often asked about financial provisions of the farm housing program. More detailed information is available at the Farmers Home Administration office which serves your county.

For What Purpose Can I Get a Housing Loan?

A loan may be made to construct, improve, alter, repair, or replace a house or other buildings essential to the operation of your farm.

Am I Eligible?

To be eligible for a housing loan you must be a farm owner, be unable to get a loan elsewhere, and lack the necessary capital to make the needed improvements. You must also be able to repay the loan from farm and other income. Tenants and farm laborers are not eligible for these loans but owners may borrow money to repair or build houses and other farm buildings for their tenants.

What Interest Do I Pay?

Four percent per year on the unpaid balance of the loan.

How Much Time Do I Have to Pay Off Loan?

Loans are made for periods of 5 to 33 years and may be paid in full before they come due. You will be expected to refinance your indebtedness through cooperative or private sources whenever you are able to do so.

What Security Do I Give?

A farm housing loan is secured by a mortgage on the farm, subject to any existing prior liens, and such additional security as may be necessary to reasonably protect the Government's investment.

How Large Must Farm Be to Qualify Owner for Loan?

Under this program a farm is land operated as a single unit for the production of agricultural commodities for sale or home use which have an annual gross value of at least \$400 based on 1944 commodity prices.

Do Veterans Have Preference?

Yes, preference is given to veterans of all wars and immediate families of veterans who died in war service.

What If My Present Income Is Not Enough to Pay Loan?

In that case, you may still be able to get a loan if you can work out and follow a program which, within 5 years, will enable you to improve your methods of farming and increase your income to a point where you can repay your loan.

Then if you lack the money needed to meet your payments during any of the first 5 years, the Government may help you by writing off up to half of the principal and all of the interest due in that year.

What Are the Standards?

It is expected that any building erected or repaired will have, when completed, a sound foundation, strong walls, and a tight roof, and will meet similar minimum construction standards.

What Aid Is Available for Emergency Repairs?

In emergency cases, loans and grants are made for minor repairs to protect the health and safety of the farm family and the community. The largest loan for emergency repairs will be \$1,000 and the largest grant \$500. No more than \$1,000 total may be obtained in combined loans and grants. Grants may be made only to repair buildings occupied by the owners.

Are Loans Made for Land Purchase and Development?

In some cases, yes. When the purchase of additional land or when improvements such as clearing, draining, fencing, and terracing will increase the family income enough to repay the housing loan, funds may be used for land purchase or development.

What Local Assistance Will This Program Receive?

County committees of local farmers who assist in administering the farm-ownership and operating-loan programs of the Farmers Home Administration advise on the eligibility of applicants, the reasonable value of their farms, and the amount and type of assistance for which applicants are qualified. Where necessary, the committees look over farms and personally interview applicants before making their recommendations.

Where May I Apply for a Loan?

You may make formal application on a blank supplied at the office of the Farmers Home Administration that serves the county where you live. If you are unable to locate

the local office, see your County Agricultural Agent or write to the State Director of the Farmers Home Administration for your State, at the address given in the following list.

State Offices

ALABAMA, Farm Security Building, Montgomery 4.
ARIZONA, 809 West Tijeras Avenue, Albuquerque, N. Mex.
ARKANSAS, Waldon Building, Little Rock.
CALIFORNIA, 30 Van Ness Avenue, San Francisco 2.
COLORADO, 950 Broadway, Denver 3.
CONNECTICUT, 2003 Federal Building, Boston 9, Mass.
DELAWARE, Federal Land Bank Building, Baltimore 18, Md.
FLORIDA, Professional Building, Gainesville.
GEORGIA, Room 604, Atlanta National Building, Atlanta.
IDAHO, Box 2660, Fort Douglas, Salt Lake City, Utah.
ILLINOIS, 14 Federal Building, Champaign.
INDIANA, 212 Federal Building, La Fayette.
IOWA, 307 Old Federal Building, Des Moines 9.
KANSAS, Room 439, New England Building, Topeka.
KENTUCKY, 231 W. Maxwell St., Lexington 29.
LOUISIANA, P. O. Box 587, Alexandria.
MAINE, 31 Central Street, Bangor.
MARYLAND, Federal Land Bank Building, Baltimore 18.
MASSACHUSETTS, 2003 Federal Building, Boston 9.
MICHIGAN, 304 Evergreen Avenue, East Lansing.
MINNESOTA, 113 Federal Courts Building, St. Paul 2.
MISSISSIPPI, Masonic Temple Building, Jackson.

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MISSOURI, 811 Cherry Street, Columbia.
MONTANA, Box 754, Bozeman.
NEBRASKA, 134 South 12th Street, Lincoln 8.
NEVADA, 30 Van Ness Avenue, San Francisco 2, Calif.
NEW HAMPSHIRE, 2003 Federal Building, Boston 9, Mass.
NEW JERSEY, 205 Post Office Building, New Brunswick.
NEW MEXICO, 809 West Tijeras Avenue, Albuquerque.
NEW YORK, 701 First National Bank Building, Ithaca.
NORTH CAROLINA, Raleigh Building, Raleigh.
NORTH DAKOTA, Federal Building, Bismarck.
OHIO, Room 317, Old Post Office Building, Columbus 15.
OKLAHOMA, Room 404, Federal Building, Oklahoma City.
OREGON, Building 1, Swan Island, Portland 18.
PENNSYLVANIA, 118 Locust, Harrisburg.
RHODE ISLAND, 2003 Federal Building, Boston 9, Mass.
SOUTH CAROLINA, Federal Land Bank Building, Columbia 1.
SOUTH DAKOTA, 225 E. 11th Street, Sioux Falls.
TENNESSEE, 104 Twenty-first Avenue South, Nashville 4.
TEXAS, 405 United States Terminal Annex, Dallas 2.
UTAH, Box 2660, Fort Douglas, Salt Lake City.
VERMONT, 2003 Federal Building, Boston 9, Mass.
VIRGINIA, 900 Lombardy Street, Richmond.
WASHINGTON, Building 1, Swan Island, Portland 18, Oreg.
WEST VIRGINIA, 231 Chestnut Street, Morgantown.
WISCONSIN, 2028 Atwood Avenue, Madison 4.
WYOMING, P. O. Box 820, Casper.

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Insert for Farm Housing Loan Pamphlet
(USDA PA-81)

If My Loan Is Approved, When Can I
Start Construction?

You can start construction when your loan is closed. Farm Housing Loan funds cannot be used to pay for materials you may buy or labor you may hire before the loan is closed.

What Credit Controls Apply to Farm
Housing Loans?

To prevent inflation and conserve building material for defense purposes, Government controls on loans for both farm and city houses were put in effect October 12, 1950. Loans cannot be made for the full amount needed for repair or construction of farm dwellings if the amount needed is more than \$2,500.

Loan limits are based on a percentage of the estimated cost of the proposed construction plus, in the case of a new house, 5 percent of the construction cost as an allowance for the building lot.

Veterans may borrow a little larger proportion of the amount needed than other farm owners. For example, a veteran's maximum loan to build a \$7,000 house is \$6,762, while a non-veteran's loan to build a \$7,000 house is limited to \$6,027.

Maximum payment periods on loans for more than \$2,500 were shortened. Loans between \$2,500 and \$7,000 are repayable in a maximum of 25 years and loans for more than \$7,000 in not more than 20 years.

Further details on how credit controls affect farm housing loans may be obtained from any office of the Farmers Home Administration.

October 12, 1950

